



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
NOVEMBER 19, 2015
1:00 P.M.

MEMBERS PRESENT

Joseph M. Bress, Chairman
Lyle M. Blanchard
Barbara Davis Blum
Mary A. Collins
Gary W. Hankins
Nathan A. Saunders (arrived 1:40 p.m.)
Edward C. Smith (attended by phone)
Thomas N. Tippet
Michael J. Warren
Jeffrey Barnette, exofficio

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Erie Sampson, General Counsel
Sheila Morgan-Johnson
Johnetta Bond
Peter Dewar
Anthony Shelborne
Joan Passerino
Leslie King
Daniel Hernandez
Michaela Burnette
Jason Todd
Ortencia Nichols
Deborah Reaves
Florence Jones
Yolanda Smith
Johniece Harris
Wukyanos Gebremeskel

MEMBERS NOT PRESENT

Joseph W. Clark
Darrick Ross
Lenda P. Washington

OTHERS PRESENT

Wayne Ellis, Linea Solutions
Fred Duball, Hewlett-Packard
Amy Timmons, Hewlett-Packard
Jacqueline Gallant, DC Divest

ROLL CALL

Chairman Bress called the meeting to order at 1:10 p.m. and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Chairman Bress introduced a motion to approve the October 15, 2015 Board meeting minutes.

Motion #1: To approve the October 15, 2015 Board meeting minutes.

The motion was moved by Trustee Warren and properly seconded by Trustee Tippet. The motion was approved (7-0, with 1 abstention). (*See Tally #1*)

CHAIRMAN'S COMMENTS

Chairman Bress commented on the following topics:

Update on Retired Firefighter Trustee Election

The Retired Firefighter Trustee election process has been completed. Information on the process and the certified results will be presented later by the Operations Committee.

Public Pension Coordinating Council (PPCC) Funding Award

For the sixth consecutive year, DCRB has been awarded the PPCC Funding Award in recognition of meeting professional standards for plan funding as set forth in the Public Pension Standards.

Ethics and Open Meetings Act Training

Training on ethics and the Open Meetings Act have been scheduled to take place at the February Board meeting.

December Operations Committee Meeting

Given the number of key activities (e.g., the actuarial valuation, budget, etc.) overseen by the Operations Committee at this time of the year, it is important that a Committee meeting be scheduled prior to the December Board meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Eric Stanchfield referred trustees to his written Report. He introduced Ms. Ortencia Nichols, who joined DCRB's Finance Department on November 16, 2015, as a Sr. Financial Management and Budget Analyst.

The Board Chairman made the following motions pursuant to D.C. Code § 2-575(b)(2) and (6) to discuss an RFP and a telecommunications contract:

Motion #2: To go into closed session at 1:25 p.m.

The motion was moved and properly seconded by Trustee Collins. The motion was approved 9-0. (*See Tally #2*)

Motion #3: To come out of closed session at 1:58 p.m.

The motion was moved and properly seconded by Trustee Hankins. The motion was approved 9-0. (*See Tally #3*)

The Open Board meeting resumed at 2:00 p.m.

INVESTMENT COMMITTEE REPORT

Investment Committee Chair Blum presented the following motions:

Motion #4: To approve the Board's Private Equity Markets Annual Capital Commitment Budget:

(1) Private Equity – target \$180 million, (2) Private Real Estate – target \$75 million, (3) Private Infrastructure/Opportunistic - target of \$40 million, and (4) Private Energy – target \$40 million.

The motion was moved and properly seconded by Trustee Tippet. The motion was approved 9-0. *(See Tally #4)*

Motion #5: To commit up to €25 million to PW Real Estate Fund III, LP, a real estate fund, subject to contract negotiations.

The motion was moved and properly seconded by Trustee Tippet. The motion was approved 7-0, with 2 abstentions. *(See Tally #5)*

Motion #6: To commit up to C\$40 million to Birch Hill Equity Partners, V, LP, a private equity fund, subject to contract negotiations.

The motion was moved and properly seconded by Trustee Collins. The motion was approved 7-0, with 2 abstentions. *(See Tally #6)*

Motion #7: To approve the Investment Policy Statement.

The motion was moved and properly seconded by Trustee Collins. The motion was approved 9-0). *(See Tally #7)*

Motion #8: To delegate to the Executive Director as indicated in Appendix A of the Investment Policy Statement.

The motion was moved and properly seconded by Trustee Warren. The motion was approved 8-0, with 1 abstention. *(See Tally #8)*

Motion #9: To ratify the redacted Board motion of July 16, 2015, to retain Channing Capital Management LLC, as the Board's small cap value equity manager.

The motion was moved and properly seconded by Trustee Tippet. The motion was approved 9-0. *(See Tally #9)*

OPERATIONS COMMITTEE REPORT

On behalf of Chairman Ross, Vice-Chair Collins presented the following motions reflecting recommendations of the Operations Committee:

Motion #10: To certify the results of the 2015 Retired Firefighter election.

The motion was moved and properly seconded by Trustee Hankins. The motion was approved 9-0. *(See Tally #10)*

Motion #11: To authorize the Executive Director to enter into a three year contract with a telecommunications provider for services.

The motion was moved and properly seconded by Trustee Tippet. The motion was approved 9-0. *(See Tally #11)*

Motion #12: To authorize the Executive Director to release an RFP for an Oversight Vendor to assist in the acquisition and implementation of a Pension Information System.

The motion was moved and properly seconded by Trustee Hankins. The motion was approved 8-1. (*See Tally #12*)

BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet during the month of November. On behalf of Committee Chair Smith, Vice-Chair Saunders referred trustees to the written report for details, and provided the following highlights of Benefits Department activities and projects that occurred in October and November.

Health Benefits Open Enrollment

Open enrollment for both the Federal Employees' Health Benefit Program (FEHB) and the District Employees' Health Program (DCHB) began November 9, 2015, and will continue through December 14, 2015.

Quality Improvements

The Benefits Department continues to prepare for the upcoming acquisition of a Pension Information Management System (PIMS). More details will be provided in December.

Equalization Increases

Effective October 4, 2015, active union and nonunion police officers and active nonunion firefighters received FY 2016 pay increases. Equalization increases for union and nonunion police officer annuitants and for nonunion firefighter annuitants who retired before February 15, 1980 will be effective November 1, 2015, and eligible annuitants will begin receiving them on December 1, 2015.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard referred Trustees to the written Legislative Committee Report. Highlights of proposed bills introduced November 3, 2015:

B21-0464, "Public School Teachers Income Exclusion Act of 2015." For purposes of District taxes, this bill would exclude from gross income the annual salary of a District of Columbia Public School System (DCPS) teacher who taught a full academic year prior to the tax year in which the teacher applies for the exclusion.

B21-0465, "Pension or Other Retirement Income Exclusion from Income Tax Amendment Act of 2015." The bill would increase the amount of federal and District pension income that would be excludible from District taxes from \$3,000 to \$10,000 for annuitants age 62-64 and up to \$20,000 for annuitants age 65 and older.

B21-0467, "Fossil Fuel Divestment Act of 2015." The proposed legislation resurrects the proposed 2013 Fossil Fuel Divestment Act (B20-481), which would require DCRB and the District's Other Post-Employment Benefits (OPEB) Fund to divest investments from certain companies holding the 100 largest fossil fuel reserves and prohibit investments in the same companies.

AUDIT COMMITTEE REPORT

Committee Chair Hankins indicated that there was no report, since the Committee did not meet this month.

OTHER BUSINESS

None.

ADJOURNMENT

Motion #13: Chairman Bress introduced a motion to adjourn the meeting at 2:15 p.m.

The motion was properly moved by Trustee Tippett and seconded by Trustee Hankins. The motion was approved 9-0. (*See Tally #13*)

**DISTRICT OF COLUMBIA RETIREMENT BOARD
RECORD OF OFFICIAL BOARD ACTIONS**

Tally #1:			Date: November 19, 2015		
To approve the October 15, 2015 Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.			√		
Washington, Lenda P.					√

Tally #2:			Date: November 19, 2015		
To go into closed session.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #3:		Date: November 19, 2015			
To come out of closed session					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #4:		Date: November 19, 2015			
To approve the Board's Private Markets Annual Capital Commitment Budget: (1) Private Equity – target \$180 million, (2) Private Real Estate – target \$75 million, (3) Private Infrastructure/ Opportunistic – target of \$40 million, and (4) Private Energy – target \$40 million.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #5:		Date: November 19, 2015			
To commit up to €25 million to PW Real Estate Fund III, LP, a real estate fund, subject to contract negotiations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle			√		
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan			√		
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #6:		Date: November 19, 2015			
To commit up to C\$40 million to Birch Hill Equity Partners, V, LP, a private equity fund, subject to contract negotiations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle			√		
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan			√		
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #7:		Date: November 19, 2015			
To approve the Investment Policy Statement.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #8:		Date: November 19, 2015			
To delegate authority to the Executive Director as indicated in Appendix A of the Investment Policy Statement.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan			√		
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #9:			Date: November 19, 2015		
To ratify the Board motion of July 16, 2015, to retain Channing Capital Management LLC, as the Board's small cap value equity manager.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #10			Date: November 19, 2015		
To certify the results of the 2015 Retired Firefighter election.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #11		Date: November 19, 2015			
To authorize the Executive Director to enter into a three year contract with a telecommunications provider for services.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #12		Date: November 19, 2015			
To authorize the Executive Director to release an RFP for an Oversight Vendor to assist in the acquisition and implementation of a Pension Information System.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.		√			
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #13:			Date: November 19, 2015		
To adjourn the meeting at 2:15 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.					√
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.					√